

Housing and Community Services Department



2013-2014 Consolidated Plan Spending Plan Preferences

Please review the attached summaries of each plan and vote for ONE option for CDBG and ONE option for HOME. Submit your responses to Lesa Lank at llank@wichita.gov or Housing & Community Services Department, 332 N. Riverview, no later than Monday, November 19, 2012.

NOTE: Final funding decisions will be made by the City Council after HUD announces allocations.

Community Development Block Grant (CDBG)

Spending Plan Preferences – *Vote For One!*

	A. 8% Reduction across the board
	B. Leave Public Services as is and reduce all other categories
	C. Eliminate programs which are also funded with the General Fund and add \$19,420 to: (<i>Check One</i>)
	1. Sidewalks
	2. Dangerous building demolition
	3. Neighborhood cleanups

HOME Investment Partnerships Program (HOME)

Spending Plan Preferences – *Vote For One!*

	A. 8% Reduction across the board
	B. Reduce Administration, HOME 80 and Housing Development Loan Program
	C. Reduce Administration and Housing Development Loan Program – add Home Rehab

I am a resident of:

	District 1
	District 2
	District 3

	District 4
	District 5
	District 6

Signature (Optional)_____ Date _____

CONSOLIDATED PLAN FUNDING – 2013 ALLOCATION OPTIONS - CDBG

OPTION A: 8% REDUCTION ACROSS THE BOARD

	2012-2013	8% reduction	Balance
CDBG	\$2,569,751	\$205,580	\$2,364,171
Capital Projects	75,000	6,000	69,000
Sidewalks*			
Housing	1,065,313	85,225	980,088
Dangerous building demo*			
Neighborhood clean-ups*			
Home repair			
Home repair admin			
Public Services	947,000	75,760	871,240
Neighborhood Assistance			
Housing First			
Job training			
Women's Services			
Youth Prevention/Enrichment			
Summer Youth Employment			
Planning and Administration	482,438	38,595	443,843
City indirect			
Program management			
Fair Housing			
Planning			
TOTAL	\$2,569,751	\$205,580	\$2,364,171

*Also receives General Funds.

OPTION B: LEAVE PUBLIC SERVICES AS IS AND REDUCE ALL OTHER CATEGORIES

	2012-2013	Reduction	Balance
CDBG	\$2,569,751	\$205,580	\$2,364,171
Capital Projects	75,000	31,253	43,747
Sidewalks*			
Housing	1,065,313	110,478	954,835
Dangerous building demo*			
Neighborhood clean-ups*			
Home repair			
Home repair admin			
Public Services	947,000	0	947,000
Neighborhood Assistance			
Housing First			
Job training			
Women's Services			
Youth Prevention/Enrichment			
Summer Youth Employment			
Planning and Administration	482,438	63,849	418,589
City indirect			
Program management			
Fair Housing			
Planning			
TOTAL	\$2,569,751	\$205,580	\$2,364,171

*Also receives General Funds.

OPTION C: ELIMINATE PROGRAMS WHICH ARE ALSO FUNDED WITH THE GENERAL FUND

	2012-2013	Reduction	Balance
CDBG	\$2,569,751	\$225,000	\$2,334,751
Capital Projects	75,000	75,000	0
Sidewalks*			
Housing	1,065,313	150,000	915,313
Dangerous building demo*	100,000	100,000	
Neighborhood clean-ups*	50,000	50,000	
Home repair			
Home repair admin			
Public Services	947,000	0	947,000
Neighborhood Assistance			
Housing First			
Job training			
Women's Services			
Youth Prevention/Enrichment			
Summer Youth Employment			
Planning and Administration	482,438	0	482,438
City indirect			
Program management			
Fair Housing			
Planning			
TOTAL	\$2,569,751	\$225,000	\$2,334,751

*Also receives General Funds

This option reduces the budget by 10%. To return to an 8% reduction \$19,420 could be restored to one of the General Fund program areas.

CONSOLIDATED PLAN FUNDING – 2013 ALLOCATION OPTIONS - HOME

OPTION A: 8% REDUCTION ACROSS THE BOARD

	2012-2013	8% reduction	Balance
HOME	\$1,223,447	\$97,876	\$1,125,571
Administration	122,345	9,788	112,557
Staff, IT, City Indirect			
CHDO Operating	50,000	4,000	46,000
Overhead for CHDOs			
HOME 80	427,641	34,211	393,430
Downpayment and closing cost assistance			
Boarded Up House	100,000	8,000	92,000
Acquisition, demolition, new construction			
Housing Development Loan Program (HDLP)	235,000	18,800	216,200
Funds for-profit or non-profit developers of affordable housing			
CHDO Set-Aside	288,461	23,077	265,384
Funds required to be set-aside for CHDOs			
TOTAL	\$1,223,447	\$97,876	\$1,125,571

Based on experience administering these programs:

- The Boarded Up House cost per house is appr. \$50,000. An 8% reduction may not fully fund two houses.
- CHDO housing development using the CHDO Set-Aside funds, average \$35,000 per house. 8% reduction will support 7.52 houses.

Staff recommends considering a more strategic approach to an 8% reduction after review of new HOME regulations, the need to generate 25% match, City Council priorities, and program areas which provide a stronger return on investment. The following 2 options do so.

Note: HOME regulations place a 10% cap on the amount of funds which can be designated to administer the program, which is reflected in each option.

OPTION B: REDUCE ADMINISTRATION, HOME 80, HDLP

	2012-2013	Reduction	Balance
HOME	\$1,223,447	\$97,876	\$1,125,571
Administration	122,345	9,788	112,557
Staff, IT, City Indirect			
CHDO Operating	50,000	0	50,000
Overhead for CHDOs			
HOME 80	427,641	44,627	383,014
Downpayment and closing cost assistance			
Boarded Up House	100,000	0	100,000
Acquisition, demolition, new construction			
Housing Development Loan Program (HDLP)	235,000	35,000	200,000
Funds for-profit or non-profit developers of affordable housing			
CHDO Set-Aside	288,461	8,461	280,000
Funds required to be set-aside for CHDOs			
TOTAL	\$1,223,447	\$97,876	\$1,125,571

This option follows the current priority of encouraging new homeownership opportunities, and it will generate sufficient match.

OPTION C: REDUCE ADMINISTRATION AND HOUSING DEVELOPMENT, FUND HOME REHAB

	2012-2013	Reduction	Balance
HOME	\$1,223,447	\$97,876	\$1,125,571
Administration	122,345	9,788	112,557
Staff, IT, City Indirect			
CHDO Operating	50,000	0	50,000
Overhead for CHDOs			
HOME 80	427,641	44,627	383,014
Downpayment and closing cost assistance			
Boarded Up House	100,000	0	100,000
Acquisition, demolition, new construction			
Housing Development Loan Program (HDLP)	235,000	135,000	100,000
Funds for-profit or non-profit developers of affordable housing			
CHDO Set-Aside	288,461	8,461	280,000
Funds required to be set-aside for CHDOs			
Homeowner Rehabilitation	0	(100,000)	100,000
Provide assistance to owner-occupied units			
TOTAL	\$1,223,447	\$97,876	\$1,125,571

This plan reintroduces homeowner rehabilitation as a funding category and reduces the funding level for new homeownership opportunities. The rationale considers the fact that recent rule changes in the HOME program place pressure on jurisdictions to sell homeowner properties within six months or convert them to rental. This is made more difficult in the current mortgage lending environment, where it is increasingly more difficult for low to moderate income buyers to qualify for mortgages. Rather than risk increasing the number of single-family rental units and incurring the costs of maintaining such properties, support for homeownership through funds for repair this option continues the focus on homeownership through the repair program.